

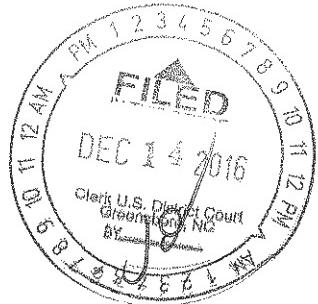
IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA :

v. :

HERBERT LEE MARTIN :

1:16CR 430-1



The United States Attorney charges:

INTRODUCTION

At all times relevant to this Bill of Information:

1. HERBERT LEE MARTIN was a resident of Rockingham, in the County of Richmond, in the Middle District of North Carolina.

2. HERBERT LEE MARTIN owned and operated a tax preparation business in Rockingham, North Carolina, in the Middle District of North Carolina. HERBERT LEE MARTIN and others who worked in his tax preparation business, prepared and electronically filed federal income tax returns on behalf of their clients.

3. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury responsible for the ascertainment, computation, assessment, and collection of federal taxes.

4. An Electronic Filing Identification Number ("EFIN") is a unique number issued by the IRS that allows a tax return

preparation business to electronically file federal income tax returns with the IRS.

5. A Preparer Tax Identification Number ("PTIN") is the number the IRS assigns to those who prepare or assist in the preparation of federal tax returns for compensation.

COUNT ONE

6. The factual allegations contained in Paragraphs One through Five of the Introduction Section of this Bill of Information are realleged and incorporated by reference herein.

7. From in or about January 2012, continuing up to and including in or about April 2016, the exact dates unknown, in the County of Richmond, in the Middle District of North Carolina, and elsewhere, HERBERT LEE MARTIN and Co-conspirator Number 1 did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree together and with each other and with other individuals both known and unknown to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the IRS in the ascertainment, computation, assessment, and collection of the revenue: to wit, income taxes.

MANNER AND MEANS

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

8. HERBERT LEE MARTIN taught Co-conspirator Number 1 and other co-conspirators how to prepare federal income tax returns using the computer software program TaxSlayer.

9. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did agree to falsify items on the federal income tax returns of clients for the purpose of increasing refunds issued by the IRS to the clients.

10. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did purchase and steal the names and Social Security numbers of individuals to list false dependents on the tax returns of clients. A number of these names and Social Security numbers belonged to the children of people familiar to HERBERT LEE MARTIN and Co-conspirator Number 1 through either a business or personal relationship.

11. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did include false items on federal income tax returns of clients, including but not limited to false filing status, false dependents, false wages, false business income, false Schedule A deductions, and false childcare expenses.

12. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did collect fees from clients for preparing their returns.

13. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did direct the refunds of clients into the bank accounts of HERBERT

LEE MARTIN and Co-conspirator Number 1, as well as bank accounts of other co-conspirators.

14. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did fail to complete the paid preparer section of the federal tax returns in order for the returns to appear to the IRS as if the clients prepared their own returns.

15. HERBERT LEE MARTIN would and did fail to apply for and receive an EFIN for the tax preparation business he owned and operated.

16. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did fail to apply for and receive PTINs for themselves.

17. HERBERT LEE MARTIN and Co-conspirator Number 1 would and did fail to inform their clients what material falsehoods that they included on the returns of clients before filing those returns with the IRS.

#### OVERT ACTS

18. In or about January 2012, the exact date unknown, HERBERT LEE MARTIN prepared returns from his residence located at 103 Jerry Lynn Drive, Rockingham, North Carolina.

19. In or about January 2013, HERBERT LEE MARTIN bought the property located at 160 Central Avenue, Rockingham, North Carolina, and used that property for the operation of the tax preparation business for tax years 2012 through 2015.

20. On or about the dates set forth below, HERBERT LEE MARTIN and Co-conspirator Number 1 prepared and filed, and caused to be prepared and filed, false United States Individual Income Tax Returns, Forms 1040, in the names of the following individuals whose initials are listed below, containing false items including, but not limited to, the items listed below:

Paragraph	Taxpayer	Tax Year	Date of Filing (on or about)	False Item(s)
20(a)	V.R.	2011	01/22/2012	1) Line 7, Wages
20(b)	V.R.	2012	01/24/2013	1) Line 6c, Dependents 2) Line 7, Wages
20(c)	V.R.	2013	01/31/2014	1) Line 6c, Dependents 2) Line 7, Wages
20(d)	V.R.	2014	01/21/2015	1) Line 6c, Dependents 2) Line 7, Wages
20(e)	R.A.	2011	01/22/2012	1) Line 7, Wages
20(f)	R.A.	2012	02/04/2013	1) Line 7, Wages
20(g)	R.A.	2013	01/29/2014	1) Line 7, Wages
20(h)	R.A.	2014	01/23/2015	1) Line 7, Wages
20(i)	J.E.	2012	01/29/2013	1) Line 7, Wages
20(j)	J.E.	2013	02/08/2014	1) Line 7, Wages
20(k)	J.E.	2014	01/15/2015	1) Line 7, Wages
20(l)	J.E.	2015	02/02/2016	1) Line 7, Wages
20(m)	S.E.	2012	03/16/2013	1) Line 7, Wages
20(n)	S.E.	2013	02/09/2014	1) Line 7, Wages 2) Line 12, Business Income
	B.J.M.	2011	01/19/2012	1) Line 7, Wages
20(o)	B.J.M.	2012	01/31/2013	1) Line 7, Wages
20(p)	B.J.M.	2013	01/31/2014	1) Line 7, Wages
20(q)	B.J.M.	2014	01/20/2015	1) Line 7, Wages

20(r)	S.M.	2013	01/28/2014	1) Line 6c, Dependents 2) Line 7, Wages
20(s)	S.M.	2014	01/24/2015	1) Line 6c, Dependents 2) Line 7, Wages
20(t)	S.M.	2015	02/02/2016	1) Line 7, Wages
20(u)	N.C.	2012	02/07/2013	1) Line 7, Wages 2) Line 12, Business Income
20(v)	N.C.	2013	01/14/2014	1) Line 7, Wages 2) Line 12, Business Income
20(w)	N.C.	2014	01/19/2015	1) Line 7, Wages 2) Line 12, Business Income
20(x)	K.D.M.	2013	02/14/2014	1) Line 7, Wages
20(y)	V.F.	2013	02/02/2014	1) Line 7, Wages
20(z)	S.M.	2012	02/02/2013	1) Line 29, Dependent Care Expenses
20(aa)	S.M.	2013	02/01/2014	1) Line 48, Dependent Care Expenses
20(ab)	S.M.	2014	01/27/2015	1) Line 31, Dependent Care Expenses
20(ac)	S.M.	2015	01/28/2016	1) Line 40, Schedule A Deductions
20(ad)	A.D.	2011	01/27/2012	1) Line 6c, Dependents 2) Line 7, Wages
20(ae)	A.D.	2012	01/25/2013	1) Line 7, Wages
20(af)	A.D.	2013	01/30/2014	1) Line 7, Wages
20(ag)	D.T.	2012	02/04/2013	1) Line 6c, Dependents 2) Line 19, Tuition Fees 3) Line 29, Dependent Care Expenses
20(ah)	R.S.	2011	01/28/2012	1) Line 7, Wages
20(ai)	R.S.	2012	01/23/2013	1) Line 7, Wages
20(aj)	R.S.	2013	01/09/2014	1) Line 7, Wages 2) Line 12, Business Loss
20(ak)	R.S.	2014	01/14/2015	1) Line 7, Wages 2) Line 12, Business Income
20(al)	S.R.	2012	02/08/2013	1) Line 7, Wages
20(am)	S.R.	2014	02/02/2015	1) Line 7, Wages
20(an)	D.L.	2013	02/07/2014	1) Line 7, Wages
20(ao)	A.A.	2013	01/23/2014	1) Line 7, Wages

20(ap)	N.G.	2013	01/28/2014	1) Line 7, Wages 2) Line 12, Business Income
20(aq)	J.B.	2014	03/25/2015	1) Line 7, Wages
20(ar)	T.C.	2013	01/28/2014	1) Line 6c, Dependents 2) Line 7, Wages
20(as)	T.M.	2012	03/13/2013	1) Line 6c, Dependents
20(at)	S.A.	2011	03/09/2012	1) Line 6c, Dependents 2) Line 7, Wages
20(au)	S.A.	2012	02/01/2013	1) Line 6c, Dependents 2) Line 7, Wages 3) Line 12, Business Income
20(av)	S.A.	2013	02/15/2014	1) Line 7, Wages
20(aw)	S.A.	2014	02/05/2015	1) Line 7, Wages 2) Line 12, Business Income

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO AND THREE

21. The factual allegations contained in Paragraphs One through Five of the Introduction Section of this Bill of Information are realleged and incorporated by reference herein.

22. On or about the dates set forth below, each date constituting a separate Count of this Indictment, in the County of Richmond, in the Middle District of North Carolina, and elsewhere, HERBERT LEE MARTIN did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS of the following Forms 1040 U.S. Individual Income Tax Returns, which were false and fraudulent as to a material matter:

Count	Taxpayer	Tax Year	Date of Filing (on or about)	False Item(s)
TWO	R.A.	2011	01/22/2012	1) Line 7, Wages
THREE	R.A.	2012	02/04/2013	1) Line 7, Wages

All in violation of Title 26, United States Code, Section 7206(2).



RIPLEY RAND  
UNITED STATES ATTORNEY



CLIFTON T. BARRETT  
ASSISTANT UNITED STATES ATTORNEY



KATHRYN A. KIMBALL  
TRIAL ATTORNEY  
DEPARTMENT OF JUSTICE,  
TAX DIVISION